SOME PHASES OF TAX REFORM IN ILLINOIS

The report of the Special Tax Commission to the forty-seventh General Assembly of Illinois, last January, again brought before that body the question of revising the obsolete revenue laws under which the state now collects its taxes. The expectation of the people of the state—of the taxpayers, at least—was that the Assembly would take advantage of the opportunity to remove the out-of-date and hampering provisions of the state constitution which prevent the adaptation of the revenue laws to modern business conditions. That the present intolerable situation is largely the result of provisions in the constitution of 1870 which prevent classification of property is conceded, but before the situation can materially be altered the Assembly must first take action by submitting an amendment to the people for the removal of the restricting clauses. This the legislative body, in the session which came to a close in the latter part of last May, refused to do. On the other hand, while it is undoubtedly true that the cause of much of the inequality in taxation that exists today is the requirement in the fundamental law that all property shall be taxed in essentially the same manner, and by all of the taxing bodies that have jurisdiction over it, it is by no means certain that if the General Assembly were freed from these hampering requirements the state would be relieved of the evils of unjust taxation. The passage of tax laws that are theoretically just does not insure equitable taxation unless the laws are enforceable and the proper machinery is provided for enforcement. And it is with the administrative side of the problem that Illinois has failed most signally to deal.

The history of tax legislation in the state records a distressing series of half-hearted, ineffectual attempts to strengthen the revenue system at its weakest points without a serious attempt at thorough reconstruction. Not only have the lawmakers apparently been unwilling to make a systematic examination of the revenue system themselves, but they have

consistently refused to grant more than a slight consideration to the recommendations of those state officials whose duties enable them, through close contact with the system at work, to discover existing evils and to devise intelligent proposals for reform. Reform measures have been passed from time to time, but, if we are to judge from reports of administrative officials, since the adoption of the constitution of 1847 scarcely a law affecting the assessment of property for purposes of taxation has achieved the end its makers expected of it. Two reasons have been assigned for this general lack of effectiveness: that the measures were lacking in the essential provisions necessary to carry out the reforms proposed, and that the proper machinery was not provided for their enforcement. A brief survey of some of the more important attempts to obtain an equitable revenue code will serve to indicate the proportion in which each cause assigned contributed to the failure of the laws.

Those who have placed the greater part of the blame for the inequitable working of the general property tax upon its administrative failures have frequently asserted that the introduction of the township system of local government has been, in a large measure, responsible for the unworkableness of the tax in Illinois and neighboring states. That the extreme decentralization of this system has made it more difficult to eradicate evils arising from the faulty work of local assessors is, perhaps, undeniable; but, in Illinois at least, lack of equality of assessment and the presence of favoritism in the valuation of property, as well as common carelessness and neglect of duty on the part of assessors, were matters of complaint before the introduction of township government had been made possible by the adoption of the constitution of 1847.[1] The complaints that fill the reports of the Auditor of Public Accounts, who, in Illinois, has been the state official having the most to do with taxation, show that even when assessment and collection were in the hands of county officers, undervaluation of property was the rule and not the exception; that property was assessed at what the officer valuing it thought was "about right"; and that the admin-

[1] Art. VII, sec. 6, required the General Assembly to pass a law providing for a system of township government which might be adopted by a majority vote in any county.

istration of all revenue laws intrusted to county officials was, as a rule, slovenly. Nor do we find any statement in official reports that the counties which adopted township government were more delinquent than those that retained the more centralized type of organization during the period of 1850–65, when the change was taking place. It seems clear, then, that during that period county assessment was not greatly superior to township assessment. It would be unfair to conclude from this, however, that unworkableness of the laws rather than lax enforcement by incompetent and careless officials was principally responsible for the dissatisfaction with the system then prevailing; but it seems fairly well established that county administration would not have been a form of centralization sufficiently effective to prevent the common disregard of the law into which local assessment has fallen.

On the other hand, it is quite evident that the mere passage of laws ordaining that property shall be assessed according to certain rules is a futile method of attempting to bring about justice in taxation, unless there is provided at the same time administrative machinery by which the execution of the provisions of those laws will be effectively and faithfully carried out. It is this fact that the law-making body of Illinois has either failed to comprehend or refused to regard. The constitution of 1847 provided that all property within the state, with some minor exceptions, should be assessed on an *ad valorem*[2] basis. Assessors were, therefore, required to value all property, both real and personal, at fair sale value. But in 1851 Governor French advised the General Assembly that specific provisions for assessment at actual values had wrought little or no improvement in the haphazard work of local assessors;[3] and the auditor, in his biennial report at the same session of the General Assembly, expressed a similar opinion though he viewed the faults of the assessors charitably and asked a codification

[2] Message of the Governor, *Rep. to the 17th Gen. Assem. of Ill.*, 1851.

[3] Art. IX, sec. 2, provided that "the General Assembly shall provide for levying a tax by valuation, so that every person and corporation shall pay a tax in proportion to the value of his or her property; such value to be ascertained by some person or persons to be elected or appointed in such manner as the General Assembly shall direct and not otherwise. . . . ." This section was copied almost word for word in the constitution of 1870.

of the revenue laws in order that they might be more easily understood. He also expressed a belief that an elaborate schedule for the listing of personal property would aid greatly in securing correct assessment.[4] In common with the majority of the public officials of the time he had great faith in the efficacy of legal provisions as such. That those provisions might require a corps of expert and disinterested officials to carry them into effect seems never to have occurred to him.

In 1853 the General Assembly, influenced no doubt by the insistent urging of the governor and auditor, passed an act prescribing most explicitly that all property should be assessed at its fair sale value. The duties of all persons concerned with the assessment were defined with precision and the listing schedule for which the previous auditor had asked was provided.[5] But in the following year the auditor discovered to his surprise that a law explicit in its provisions was not all that was necessary to bring about the assessment of property at actual value. He complained that "such a valuation as the law contemplates had not been made"; and that this had been due to the conscious disregard of the law by assessors.[6] Two years later, in 1856, the same condition still existed, and the auditor, after explaining that the act of 1853 had accomplished little, made the following significant statement: "In my opinion it will be difficult to define the duties of assessors, or fix the rules for valuing property more clearly and more definitely than is done in the laws now in force. The wrong, then, must be in the administration of the law, not in the law itself."[7] The source of the wrong was in the fact that the assessor adopted an imaginary standard for the valuation of property instead of following the legal requirement of fair sale value. The belief that other counties were assessed at lower rates, favoritism shown to friends and neighbors, and a general absence of a sense of responsibility to the public were some of the things that contributed to bring about disregard of the assessment law. As to what ought to be done about it, Auditor Campbell was not quite clear, except that more efficient administration and a closer

[4] *Bienn. Rep. of Auditor*, 1850, 24–25.
[5] *Laws of Illinois*, 1853, 35–56.
[6] *Bienn. Rep. of Auditor*, 1854, 4.
[7] *Ibid.*, 1856, 5.

following of the law were imperatively necessary if justice was ever to come into the system. One practical suggestion he did make in asking that a state board be created to equalize the differences in assessments between counties. The General Assembly disregarded his report, however, and the plan for state equalization was not carried out until more than a decade later.

As the tendency of the local assessors to undervalue property became more pronounced the total value of all property in the state on the assessment rolls increased but slowly, and, in fact, in the years 1859 to 1861 even declined slightly.[8] Finally, in 1867, after much insistence on the part of administrative officials, the General Assembly passed a bill creating a state board of equalization.[9] This was undoubtedly a move in the right direction, but again the measure was only a half-way reform; for the board created was not an effective instrument for the administration of the tax laws. The board was made elective, it was too large, and the members were required to devote only a part of their time to the work in hand. And the subsequent development of the committee method of equalization has prevented the fixing of responsibility. The act establishing the board also redefined the duties of local boards of review and the law-makers apparently believed that they had created a contrivance for the automatic dispensing of justice. After the constitution of 1870 was adopted the powers of the board were extended to cover the assessment of railways and the capital stock of corporations, and several minor changes were made in their duties in respect to equalization.

For a time the new machine worked well; the auditor ceased to complain about the inequality of county assessments and the dissatisfaction with the revenue system practically died out. But, in the latter part of the decade following the adoption of the constitution, discontent again arose and the tax system was assailed on every side. What had happened is well described by Governor Oglesby in his message to the General Assembly in 1887. "It is a notorious fact," he said, "that since, without

[8] *Bienn. Report of the Auditor*, 1859–1865.

[9] *Public Laws of Illinois*, 1867, 105–10. One member of the board was elected from each senatorial district in the state. The sessions were limited to fifteen days.

exception, in every county in the state, assessors have departed from the rule of law to assess all property at a fair cash value, and have established a personal and vacillating policy of their own, by which property is assessed at about what they consider would be the 'fair thing,' not only has there been a growing dissatisfaction with the law, but advantage has been taken of the vicious and unlawful procedure in vogue under it to lessen the value of all property, until the annual assessments have become almost disgraceful."[10] This open violation of the law was excused by those practicing it, the governor asserted, by the common belief in each locality that every other locality was assessed at a lower rate than themselves. The provocation for this official denouncement of local assessment practice is apparent when we find that the total equalized valuation of all property in the state, valued by local assessors, declined from $1,209,574,387 in 1873 to $958,823,269 in 1876, and to $726,-834,820 in 1886, the last year for which the governor had data. Evidently the State Board of Equalization had accomplished little in the direction of assessment reform. The governor had also an explanation for this. "Twenty years ago," he said, in the message previously referred to, "it was believed that a board of equalization would cure such a state of affairs in regard to assessments as exists today, and for a few years such seemed to be the effect. It was soon discovered, however, that where individuals made a return of their effects at an honest valuation, and generally others in the same locality did not, an increase of the county assessment by the State Board of Equalization resulted most injuriously to the honest tax-payer. It was not long under such discriminations before the whole people came to believe that the only sure method of self defense would be to fall into the universal custom of low rates of assessment, and come what might, they would be as well off as the rest." The governor might have added that the inclination of each member of the board to favor the tax-payers in his district, and the lack of a permanent organization for the collection of data that would permit the board to make a scientific equalization,

[10] Governor's Message, *Reports to the General Assembly of Ill.*, 1887, I, 11.

were almost as much responsible for the failure of state equalization as the irremovable differences of local assessments. The board could not be blamed for the decrease in the total state assessment, since the law prohibited them from increasing that total, and although they petitioned the General Assembly, in 1889, for an amendment to remove this restriction, in order that sufficient revenue might be raised for state purposes without resort to an extremely high tax rate, no change was made in the law in this respect.

In 1885 the General Assembly provided for the appointment by the governor of a Revenue Commission "to amend and revise the revenue laws of the State of Illinois, and to propose a revenue code that shall be just to all classes of property and in keeping with our complicated system of business and individual and corporate avocations" (*sic*). This commission, after holding numerous hearings, reported six principal defects in the existing system: (1) gross inequality in the assessment of similar kinds of property held by different persons and of different kinds of property regardless of ownership; (2) arbitrary and unjust operation upon individual assessments by the equalization of the state board; (3) the low rate of assessments in general; (4) the high rate of taxation permitted by law; (5) the inadequacy of existing methods of assessing "interests that have grown out of the refinements of modern commerce"; (6) "the want of an efficient and central supervision of the revenue laws throughout the state."[11] The first four defects enumerated are, of course, found practically wherever the general property tax is employed, but the fifth and sixth grew out of the peculiar revenue system of Illinois at that time.

The revenue code prepared by the commission was intended to remove these defects. The proposed act made many changes in the laws as they then stood, but among its numerous provisions four stand out as differing radically from previous regulations. The commission proposed to abolish township as-

[11] *Report of the Revenue Commission Appointed under Joint Resolution of the Two Houses of the 34th General Assembly to Propose and Frame a Revenue Code*, etc., p. ii. This report was submitted and filed with the Secretary of State in 1886 and was presented to the General Assembly in 1887.

sessment and place the entire local administration of taxation in the hands of county officers; it proposed to separate the sources of state and local revenue and confine the former to taxation of railroads, telegraph, telephone, express, and insurance companies. These taxes were to be assessed and collected by state officers. Provision was made for the distribution to the local bodies of any surplus that might be derived from the sources assigned to the state, and for the extension of a state levy upon the county assessment rolls if these sources should at any time prove insufficient to meet state needs. The commission proposed to reduce the maximum rate at which cities, counties, towns, and school districts might levy taxes, thus forcing them to require efficient assessment.[12] Finally a permanent, bipartisan, appointive tax commission with extensive powers of supervision over local assessment was substituted for the State Board of Equalization.[13] A bill embodying these propositions, drawn by the commission, went to the Assembly with the recommendation of the governor and was reported to the house early in the session, but nothing ever came of it; and a convenient committee system prevented any fixing of the responsibility for its suppression. Various forces combined to defeat the measure. It was felt that certain of its provisions, those pertaining to the separation of the sources of state and local revenues especially, were radical and untried, and the inertia of the township system was against it.

A critical estimate of the lengthy code proposed by the commission is beyond the scope of this paper. We may, however,

[12] The extremely radical nature of this proposal is evident from the following table showing the (then) existing minimum rates and those proposed by the commission:

	Existing Rate
County purposes, on the one hundred dollars	$ .75
School purposes, on the one hundred dollars	5.00
Road and bridge purposes, on the one hundred dollars	2.00
City and village purposes, on the one hundred dollars	2.00

	Proposed Rate
For county purposes other than road and bridge	$ .25
For city, town, and village purposes except school	.50
For educational purposes	.50
For school buildings	.75
For roads and bridges, ordinary purposes	.20

For all other purposes one-third the existing rate.

—(*Report of the Revenue Commission of 1886*, v, xii–xiii).

[13] *Ibid*, ii, vi–xiv.

note that, while exception may be taken to the notion that more complete and more equitable assessment could be achieved by limiting the tax rates of municipal governments, and while the plan of separation of sources was open to question, the provisions for county assessment and a strong state tax commission, pointing as they did in the direction of more centralized administration, were certainly deserving of better treatment than they received at the hands of the General Assembly. The governor again called attention to the report of the commission in his message in 1889 but no action was taken by the Assembly.

After this failure, or rather refusal, on the part of the legislature to take definite action in regard to the reform of the tax system there followed a period of development of separate sources of revenue for state purposes through the assessment of fees upon insurance companies and corporations organized within the state. Then, too, as the state grew in wealth the amount of property subject to taxation increased and for a time there seems to have been no complaint of insufficient revenue. It is noticeable, however, that the rate of state taxation, which had risen from 26 cents on $100 valuation in 1879 to 53 cents in 1887, began after that year to decline, and by 1894 had reached 31 cents. During the next three years the rate increased in a remarkable fashion and in 1897 the state officers, whose duty it is to apportion the amount required to meet the appropriations of the Assembly, found it necessary to levy 66 cents on $100 valuation. It is, of course, not intended to try to show the relative burden of taxation by these figures, for the ratio of assessed to actual value during the period cannot be even approximately ascertained. In 1898 the Assembly sanctioned the previously existing undervaluation by authorizing the "assessed value" of the property to be entered in the assessor's book as of one-fifth of its real value; in 1909 the "assessed value" was increased to one-third of the real value.[14]

After 1894 a new force was at work which eventually compelled the General Assembly to take measures to make the tax laws of the state more effective. This force was the rapid in-

[14] A. M. Kales and F. M. Liessmann, *Illinois Tax Laws and Decisions*, 217–18.

crease in state expenditures. How rapid this increase has been is apparent from the statistics presented by the auditor. In the biennium ending September 30, 1890, warrants drawn on the treasury amounted to $6,898,874, being nearly two millions less than the amount drawn for the biennium 1872–74. For the two years 1894–96 the total state expenditure was $9,828,-655, and from this point the upward tendency became constant; the total reached $14,148,792 in 1902–4 and $19,195,414 in 1908–10.

Not only has this increase been rapid in the past, but it seems likely to continue in the future, as an examination of the distribution of the aggregate expenditure by purposes will show. The most important factor in bringing about the growth of state expenditure has, of course, been the increase in the population of the state. An increase of expenditures amounting to almost 100 per cent in the period from 1896 to 1910 cannot, however, be explained as a result of increasing population alone. There are three directions in which state expenditures are increasing, and the objects for which these expenses are incurred are such that a considerable growth may be predicted in the future. In the first place, expenditures for charitable purposes have grown from $3,256,623 in the biennium 1896–98 to $6,211,469 in the biennium 1908–10; the cost of maintaining the general government at Springfield, under which is included the maintenance of what are generally called the executive, legislative, and judicial branches, and the state boards and commissions, has risen from $2,217,291 to $4,686,031 in the same period. It will be seen that these two items have practically doubled their demands upon the revenues of the state, and while the expenditure for educational purposes has not increased so fast relatively, the absolute rise, from $3,032,830 to $5,259,719 in the same period has been considerable; and is all the more remarkable when it is taken into consideration that throughout this period the amount going to the common schools has remained at approximately $2,000,000 for each biennium. The increase has gone, in the main, for the building up of the state university and the normal-school system.

Demands upon the state for funds have, in the last decade, multiplied on every side. The number of state boards and commissions not only increases but the field of their action is being constantly enlarged, as in the case of the proposition in the present session of the Assembly to give the Railroad and Warehouse Commission regulatory control over such public utilities as gas- and electric-lighting plants, street railways, and waterworks. Institutions and services already established, because of the extension of their functions, are constantly demanding larger appropriations. In 1907, for instance, the board of control having in charge the charitable institutions, such as the hospitals for the insane, soldiers' and sailors' homes, and the schools for delinquent and defective children, recommended to the General Assembly appropriations aggregating more than two million dollars in excess of the amount appropriated for the preceding biennium. And yet these recommendations did not include expenditures for many of the improvements and extensions that the board believed must be provided in these institutions in the immediate future. The state university seeks continually larger appropriations, and, so long as the number of those who wish to take advantage of the opportunities for learning which it offers increases, it must continue to do so.

In order to obtain sufficient revenue to meet these constantly increasing demands a high rate of taxation has been necessary. And while fear of public disapproval on the part of the legislators has prevented the rate from attaining the figure reached in 1897, it has remained near 50 cents on the $100 valuation for about a decade. Attempts have been made to derive state revenue from separate sources, and under a complex system heavy fees have been collected from corporations and insurance companies. An attempt was made to tax the gross receipts of insurance companies by an exclusive state tax, which the courts defeated by deciding that such a tax could not exempt those concerns from local taxation. The grounds for this decision were found in Art. IX, sec. 10, of the constitution, which provides that the General Assembly shall "require that all taxable property

within the limits of municipal corporations shall be taxed for the payment of debts contracted under the authority of the law, such taxes to be uniform in respect to persons and property, within the jurisdiction of the body imposing the same. . . ."[15]

The inheritance tax, first imposed in 1895, under the higher rates levied by the law of 1909, should become an important source of revenue, but it cannot be depended upon to furnish either a constant stream of revenue or to contribute more than a small part of the income needed by the state. Under the law in force prior to 1909, $701,837 was the largest amount collected from this source in any one year.

As the constitution now stands, any increase of state expenditures must almost of necessity result in an added levy under the general property tax, all other practicable sources of revenue having been exhausted. In the past as burdens imposed by this tax have become greater the dissatisfaction with it has increased and in response to the demands for relief various attempts at reform have been made. In 1898 an attempt was made to make assessment more effective by providing heavy penalties for neglect of duty, connivance at false schedules or evasions, on the part of assessors, and for false listing and evasion on the part of the tax-payer. Every taxable person was required to make out and swear to a schedule of his personal property. The act was a severe and stringent regulatory measure, and, if laws were in themselves of any efficacy in the matter of assessment, it would have resulted in excellent assessments. But, with the possible exception of those parts of the act which enabled Cook County to substitute a board of assessors for the old township assessment plan, the law made no material improvement in tax administration; therefore, the results obtained were not substantial.[16] The same complaints as to the escape of a large part of the intangible property and as to gross inequality between counties, which the State Board of Equalization seems powerless to prevent, continued. It is needless to recount the many instances of injustice and inequality that occur as the law now

[15] See *Raymond* v. *Hartford Insurance Company*, 196 Ill., 329.

[16] *Laws of Illinois. Extra Session of 1897–98*, 34–54.

stands. They are the familiar evils encountered wherever the general property tax is relied upon to furnish state revenue under decentralized administration.

When the General Assembly met in 1909 the dissatisfaction with the system was nearly universal. Progressive communities objected to a state of affairs that compelled them to pay a disproportionate share of the cost of maintaining the state government as a penalty for keeping their assessment rate high in order to raise money for needed local improvements; farmers complained that agricultural districts were discriminated against in the practical working of the personal property tax; and finally much dissatisfaction was expressed because railroads and public-service corporations, it was asserted, were not paying their fair share of the taxes. Such were the conditions when the General Assembly late in the session authorized the governor to appoint a special commission to investigate the revenue system of the state and to recommend a plan for its revision. The commission was composed of men of various interests; John P. Wilson, of Chicago, was made president, and President James, of the University of Illinois, secretary. The time which the commission was able to give to the work in hand seemed to be insufficient for disentangling the confused mass of over forty years of planless, blundering legislation. Furthermore they recognized, tacitly at least, that an effective revision of the revenue system could come about only after a thorough and painstaking study of the entire financial system of the state had been made by a body of experts. As a result no very striking recommendations were presented in the majority report.

The recommendations of the commission are of the nature of preliminary steps to a scientific and comprehensive reorganization of the system, rather than specific advice on particular subjects. The majority report contemplates, in the first place, the abolition of the State Board of Equalization and the establishment in its place of a permanent appointive tax commission; and, secondly, an amendment to the state constitution giving the general assembly power to "classify for purposes of taxation the various kinds of personal property, tangible and in-

tangible"; and to "provide special methods for taxing distinct classes of personal property, subject to the limitation that such taxes shall be uniform in regard to the property of each class." The removal of the hampering requirements of the constitution, the commission pointed out, will permit the General Assembly to provide for such special taxes on personal property as are now used in Pennsylvania, or to establish a recording tax on mortgages, such as is used in New York, or to tax corporations by any one of the several different methods now employed in this country.

But while the commission indicated its belief that a constitutional amendment is necessary before any complete reform can be accomplished, they were also convinced that, even as the constitution now stands, there is much that the General Assembly might do for the betterment of the administrative side of the revenue system. The principal means of bringing about this improvement in administration is, in their opinion, the substitution of a tax commission for the State Board of Equalization. This commission would exercise the power of the present board in equalizing county assessments, and in assessing railroads and corporations organized under Illinois laws. But besides these duties the proposed commission would be empowered to prescribe the books and forms used by local assessors and to advise and instruct them in the performance of their duties; to hear and decide appeals from county boards of review; to appoint special assessors and to order the reassessment of districts where it is apparent that the original assessment is "not substantially just"; and to prosecute delinquent officials and persons or corporations that disobey revenue laws or orders of the commission. The proposed commission would also have the usual rights of investigation granted to bodies of this sort.

One member of the special commission, Mr. Harrison B. Riley, did not concur in the report, the substance of which is given above. He stated in a separate report that, while he agreed with the majority, in the main, the measures suggested by them, especially in respect to the administration of tax laws, were not "sufficiently far-reaching to furnish an adequate solution of the

tax problem in Illinois." He believed that the central tax commission should be given power not only to appoint the local assessors, under civil service rules, but also to remove them for cause. Mr. Riley pointed out that an appointive officer is more likely to be competent and expert in the exercise of his duty than an elective officer; that the fear of losing their positions can rarely prevent appointive officers from enforcing the law while it may easily deter elective officers from doing so; and, finally, that an incapable and unfair appointive local assessor can be easily removed while one that is elective cannot. In short, the majority of the commission were favorable to centralization of a mild type, while Mr. Riley wished to fix the responsibility upon a central authority and to carry the concentration of power to its logical conclusion.

In the light of the experience of the state with previous reform measures in taxation, all of which have failed to achieve the end toward which they were directed, principally because it has been practically impossible to secure their enforcement through local assessors, the recommendations of Commissioner Riley are particularly significant.

No one would wish to minimize the fundamental defects of the personal-property tax, which are perhaps inherent; everyone recognizes the necessity for the classification of property for taxation. Again the superiority of state assessment over local assessment in the case of railroads and corporations is commonly conceded. In so far as its constitution has prevented Illinois from making use of taxes adapted to modern business organization both the legislative and the administrative branches of the government have labored under conditions that they could not alter, and they cannot, therefore, be held responsible for the results. On the other hand, the continued dissatisfaction with the property tax as it works out in practice, even in the comparatively simple matter of equality between persons in the same taxing district, cannot be explained on any other ground than administrative neglect and favoritism. The trouble has been correctly diagnosed at numerous times and by different state officers, but at no time has the General Assembly succeeded

in applying a curative. They have tried the listing system in requiring every property owner to make out a complete schedule of his personal property; they have tried the expedient of placing a severe penalty upon false declarations and evasion; the assessor has been given the doomage power; and in 1898 severe penalties were placed upon wilful neglect of duty, or connivance at fraud, by assessors. The dictum of Auditor Campbell in 1856 that "The wrong, then, must be in the administration of the law, not in the law itself" has been reiterated by state officials in one form or another ever since that time, but the obvious remedy of applying more efficient administration has been consistently ignored by the legislature. Tax laws, like all other laws, must depend for their efficiency upon the ability and integrity of the officers that administer them. And when it has been demonstrated by more than half a century of administrative failure that assessment of property for the purposes of taxation by the present type of local officers is highly unsatisfactory, it seems almost too obvious to need statement that reform must do away with the present decentralized system.

The general property tax has never been given a fair trial in Illinois. That is, however bad the undifferentiating tax levied upon all forms of property may be in theory, there has been no state-wide enforcement of the tax that could furnish conclusive proof of its essential unworkableness. For instance, taxation of moneys and credits under the present system amounts almost to confiscation, for property discovered, but this would no longer be the case if real estate and other personal property were assessed at actual values, or the prescribed percentage of actual value. This instance illustrates the fact that much of the present agitation for separation and for substitutes for the personal-property tax, on the ground that our present system has entirely broken down, is in reality directed against the administrative organization and not against the tax itself. To assert that the personal-property tax is bad, as now enforced in Illinois, is a commonplace, but it by no means follows that it is so bad that if administered by a centralized system, such as Commissioner Riley suggests, it would still fail to render substantial justice in

a majority of cases. The substitution of expert civil-service assessors, working in accordance with a uniform systematic plan of assessment, for the present haphazard method of local assessment might be expected to remove a great part of the defects in the working of the general-property tax. That some classification would still be desirable is, of course, obvious.

The report of the special tax commission contains two plans for relieving the present situation and for providing efficient administration of the laws. The majority report apparently favors a central tax commission with power of advisory supervision over the local assessor and with the added right of requiring the reassessment of any district that in their judgment suffers from unjust and inequitable valuations. The minority report by Commissioner Riley suggests a more radical measure in urging that the entire assessment system be placed in the hands of the central tax commission which is responsible to the governor alone. Which of the two plans is the more expedient politically may be a matter of doubt, but that the latter would secure the more thorough enforcement of the assessment laws is hardly open to question. Yet political bias and the democratic aversion to bureaucracy is so strong that there is little hope of its becoming a law in the immediate future, although previous attempts to improve the tax system of the state show conclusively that it strikes at the very root of the lax administration that has been one of the principal sources of the admitted failure of the property tax.

What action will be taken by the General Assembly in the matter of revising the revenue system of the state at its next session is, of course, impossible to predict. During the present session neither the recommendation of the Special Commission for a permanent tax commission nor the proposed constitutional amendment was favorably acted upon. The former was given very scant attention and the latter was voted down during the closing hours of the session.

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